

## Mollohan Implores ITC to Keep Duty Orders on Hot Rolled Sheet Steel Imports

July 31, 2007 -- Congressman

Alan Mollohan Tuesday asked the International Trade Commission (ITC) to stick with antidumping duty orders on hot-rolled carbon steel products from 11 foreign nations in order to avoid a "recurrence of injury to our domestic steel industry," and blasted the current Administration for failing to enforce existing trade laws.

### Existing duty

orders that level fees against hot-rolled steel products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand and Ukraine are set to expire unless the ITC keeps them in place.

Mollohan told ITC officials about the experiences of Weirton Steel when it was acquired by the International Steel Group (ISG) and later Mittal Steel. He noted that in 2004, the company had 3,000 employees and operated two of its three available blast furnaces.

"The company could produce more than three million tons of hot-rolled sheet annually," he said. "Today, the company has approximately 1,200 employees and is no longer producing hot-rolled sheet. It still has the capability to produce world class hot-rolled product."

Mollohan said Wheeling Pittsburgh Steel has suffered similar difficulties in the face of unfair foreign imports.

"Generations of employees from Mittal (Weirton) Steel and Wheeling Pittsburgh Steel live in my district," Mollohan said. "They are strong, loyal and patriotic. They have a work ethic second to none. I am proud of their endurance and of their ability to continue to produce a quality product at a competitive price while the domestic steel industry has undergone a complete transformation over the past decade. I am proud to stand up today in their behalf and alongside the United Steelworkers of America."

He called hot-rolled steel the "bread and butter" of America's steel industry and added that hot-rolled products are key to other companies' prosperity including domestic pipe and tube manufacturers.

"Maintaining the orders at issue is absolutely essential to preserving our domestic steel industry," he said. "The last time these countries had unrestricted access to the US market, which was the year 2000, their shipments soared: They went from 1.25 million Net Tons in 1998 to 4.15 million Net Tons in 2000 - an increase of 232 percent in only two

years. This occurred in the midst of another surge of documented unfair trade in hot-rolled steel from Brazil, Japan and Russia. The combination of these two surges triggered a massive crisis among American hot-rolled steel producers that ultimately forced many of the nation's oldest and largest producers of hot-rolled steel into bankruptcy and liquidation.

"Consider further that the Department of Commerce has already determined that ten out of the eleven countries at issue would again trade unfairly if given the chance. Review of the eleventh country is still pending. The likely dumping margins found by the Department of Commerce range from 4.44 percent to 243.46 percent, while likely subsidy margins range from 2.38 percent to 41.69 percent. Thus, it seems only logical that material injury would most certainly recur if the anti dumping and countervailing duty orders are lifted."

Mollohan maintained that the threat today is even greater than it was in 2000 with China building large hot-rolled capacity.

"China's record with regard to other flat-rolled products indicates it will flood our market if given the chance," he said. "US imports of cold-rolled steel from China went from 86,000 Net Tons in 2005 to 450,000 Net Tons in 2006. The increased capacity that China now has to produce hot-rolled steel ensures that there will be a dramatic surge of hot-rolled imports from China the second these orders are lifted."

Mollohan concluded his testimony by expressing his disappointment in the current Administration to vigorously enforce America's existing trade laws.

"Such failures have directly led to significantly decreased employment rates in my district, he said. "In December 2005, for example, the President refused to give relief to the steel pipe industry in a Section 421 case after an affirmative vote by this Commission. Numerous pipe facilities in the Ohio Valley either shut down or decreased production. Both Weirton and Wheeling Pitt were dependent on these pipe producers as customers of their hot-rolled sheet.

"You have an important decision before you, one that impacts the heart and soul of our domestic steel industry. It goes without saying that survival of our steel industry is also critical to our national security. It is time to stop being lenient on foreign producers and importers. I am hopeful that the Commission will carefully review the facts and will conclude that lifting these orders will result in a flood of hot-rolled sheet imports into the United States and thus a recurrence of injury to our domestic steel industry."